

Minutes of the meeting of the Finance Committee of the Board of Directors of the Cook County Health and Hospitals System held Friday, June 20, 2014 at the hour of 8:45 A.M., at 1900 W. Polk Street, in the Second Floor Conference Room, Chicago, Illinois.

## **I. Attendance/Call to Order**

Chairman Butler called the meeting to order.

Present: Chairman Hon. Jerry Butler and Directors Ada Mary Gugenheim, M. Hill Hammock and Dorene P. Wiese, EdD (4)

Board Chairman David Carvalho (ex-officio), and Directors Lewis M. Collens and Carmen Velasquez

Mr. Steven Scheer (non-Director Member)

Absent: Director Jorge Ramirez (1)

Additional attendees and/or presenters were:

Gina Besenhofer – System Director of Supply Chain Management

John Cookinham – System Chief Financial Officer

Aaron Galeener – System Director of Budget

Steven Glass – Executive Director of Managed Care

Randolph Johnston –System Associate General Counsel

Elizabeth Reidy – System General Counsel

Deborah Santana – Secretary to the Board

John Jay Shannon, MD – Interim Chief Executive Officer and Chief of Clinical Integration

## **II. Public Speakers**

Chairman Butler asked the Secretary to call upon the registered public speakers.

The Secretary responded that there were none present.

## **III. Action Items**

### **A. Minutes of the Finance Committee Meeting, May 16, 2014**

Director Hammock, seconded by Director Gugenheim, moved to accept the minutes of the Finance Committee Meeting of May 16, 2014. THE MOTION CARRIED UNANIMOUSLY.

### **B. Contracts and Procurement Items (Attachment #1)**

The items under Section III.B. include the following request:

- Request for authorization to execute a County Managed Care Community Network (MCCN) Contract between Cook County through the Cook County Health and Hospitals System and the Illinois Department of Healthcare and Family Services (request number 1)

### **III. Action Items**

#### **B. Contracts and Procurement Items (continued)**

Steven Glass, Executive Director of Managed Care, provided an overview of request number 1. The Committee reviewed and discussed the request.

Director Hammock, seconded by Director Gugenheim, moved the approval of request number 1. THE MOTION CARRIED UNANIMOUSLY.

Gina Besenhofer, System Director of Supply Chain Management, provided an overview of the requests presented for the Committee's consideration. The Committee reviewed and discussed the requests.

Ms. Besenhofer indicated that review of request number 7 by Contract Compliance has not yet been completed; she respectfully requested that the Committee conditionally approve this request, pending the completion of the review by Contract Compliance.

Director Hammock, seconded by Director Gugenheim, moved the approval of request numbers 2 through 11, with conditional approval of request number 7, pending completion of review by Contract Compliance. THE MOTION CARRIED UNANIMOUSLY.

### **IV. Recommendations, Discussion/Information Items**

#### **A. Update on Section 1115 Medicaid Waiver Demonstration Project/CountyCare (Attachment #2)**

**This item is expected to be taken out of order – the update will be presented prior to the consideration of the proposed County MCCN Contract (Section III.B., request number 1).**

This item was taken out of order.

Mr. Glass reviewed information contained in a presentation regarding the County MCCN Agreement and Program Update. The following subjects were included in the presentation: Application Activity; ACA Adults – CountyCare and Illinois; Illinois and Mandatory Managed Care; Health Plan Options and Lock-In; County MCCN; Transition At-A-Glance; Clinical; Administrative; Financial; and Membership Projections. The Committee reviewed and discussed the information.

Director Gugenheim, seconded by Director Hammock, moved to receive and file the presentation on the County MCCN Agreement and Program Update. THE MOTION CARRIED UNANIMOUSLY.

### **V. Report from System Director of Supply Chain Management**

#### **A. Report of emergency purchases (Attachment #3)**

#### **B. Report of procurement and non-procurement matters for FY2014 – 2<sup>nd</sup> Quarter (Attachment #4)**

Ms. Besenhofer presented the Report of Emergency Purchases, which contained information on a recent emergency purchase. She also presented the Report of Procurement Matters for FY2014-2<sup>nd</sup> Quarter. The Committee reviewed and discussed the information.

**V. Report from System Director of Supply Chain Management (continued)**

Director Hammock, seconded by Director Gugenheim, moved to approve the Report of Emergency Purchases. THE MOTION CARRIED UNANIMOUSLY.

Director Wiese, seconded by Director Hammock, moved to approve the Report of Procurement Matters for FY2014-2<sup>nd</sup> Quarter. THE MOTION CARRIED UNANIMOUSLY.

**VI. Report from Chief Financial Officer**

**A. Update on Financial Matters (Attachment #5)**

This item was taken out of order.

Dr. John Jay Shannon, Interim Chief Executive Officer and Chief of Clinical Integration, provided an introduction to the update on financial matters. Following are his verbatim comments that he provided.

I want to comment on impressions at the 18 month mark of the Affordable Care Act (ACA) as it is being exercised in our area. It is important to remind ourselves that the realities that are shaping the strategic direction that the organization decided to go in 2012 are very real. Those included two phenomena outside Cook County. One, being the passage and the testing, and passing the test in the Supreme Court of the ACA in 2012; the second being the decision of the General Assembly in Springfield in 2011, that by 2015, 50% of the State's Medicaid enrollees would be in Managed Medicaid. The operational impact of that and expectation was that 100% of Medicaid enrollees in the County of Cook would be in Managed Medicaid by January of 2015. So those realities were really the drivers that prompted the organization to take the opportunity that it could, with a lot of support to get the waiver for the Demonstration Project that we now know as CountyCare.

CountyCare is having the exact desired effect for which it was designed, and I want to talk about that with a little bit of the clinical and human face of that. We're going to hear about the financial parts of that, and appropriately spend a lot of time on that, but it is really important to recognize that the organization has now reached out to and initiated applications from at least half of the estimated eligible enrollees for Medicaid expansion in this County, and that is a signal achievement. I saw on a news feed this morning that no less than David Frum was actually suggesting to the Illinois Legislature that they should repeal Medicaid expansion because of the problems that we're seeing with the bills being paid for people who were dead. Obviously that kind of fraud and abuse is something that can happen with a large program, but the intention of getting care, coverage and access for people who are poor and uninsured and unable to access health care, is a very serious one.

As Steven Glass, Executive Director of Managed Care, laid out last month, our members that we have enrolled into the Medicaid Managed Care plan of CountyCare are young and old, male and female, and they're diverse - they represent the people that we work for. They live in every part of this country - they're real people with real health needs, and now their needs are being met in an organized and coordinated fashion, I think, for the first time.

## **VI. Report from Chief Financial Officer**

### **A. Update on Financial Matters (continued)**

I want to just highlight a couple of these stories, because these are the stories that get lost in the numbers. This story ([http://articles.chicagotribune.com/2014-02-03/news/ct-aca-medicaid-expansion-met-20140203\\_1\\_health-insurance-cook-county-health-health-care](http://articles.chicagotribune.com/2014-02-03/news/ct-aca-medicaid-expansion-met-20140203_1_health-insurance-cook-county-health-health-care)) that ran in the *Chicago Tribune*, was around a former nurse named Lela Morgan, who lived for years without health insurance. She used to have to travel for simple needs like blood pressure management that would culminate in complications like kidney disease, stroke and heart disease later on. Forty-five minutes from her home and wait an hour ED to get a simple refill for her blood pressure medications. Now enrolled in CountyCare, she is seeing a primary care physician fifteen minutes from her home, where she can get ongoing coordinated care in a geographically easier manner. And one that can provide continuity that should pay off and forestall some of those serious complications.

We also saw stories ([http://articles.chicagotribune.com/2014-04-26/health/ct-managed-care-medicaid-aca-met-20140427\\_1\\_health-care-system-care-program-affordable-care-act](http://articles.chicagotribune.com/2014-04-26/health/ct-managed-care-medicaid-aca-met-20140427_1_health-care-system-care-program-affordable-care-act) and <http://chicagotonight.wttw.com/2014/01/29/countycare> ) in the *Chicago Tribune* and on WTTW's *Chicago Tonight* program about Richard Romanowski, who is a musician from Old Town with a number of chronic medical problems, including high cholesterol, high blood pressure and diabetes. Without insurance, he was forced to make decisions between groceries and a \$30 co-pay for visits, and that was a burden that he couldn't keep up with. He is now impaneled in primary care at one of our federally-qualified health centers (FQHC), Erie Health Center. And now, again, just like Ms. Morgan, he is getting coordinated primary care that should be able to put off some of the complications that would be much more expensive in the long run.

Finally, I think many people saw this story (<http://politics.suntimes.com/article/chicago/he-doesn%E2%80%99t-have-home-he%E2%80%99s-got-health-insurance-%E2%80%94-and-hope/fri-06062014-744pm>) in the *Chicago Sun-Times* recently, about Mr. Bochenek. Mr. Bochenek was brought into CountyCare as a result of our outreach and partnership with Heartland Health Alliance. This is centered on the Near North and Northwest side, taking care of predominantly homeless populations. And I think it was surprising to a lot of people, it was certainly surprising to me, to read through this story and see how this gentleman, who has been homeless for almost two years, is actually coordinating his own care, and as the story recounted, was making sure he had the right referrals after he had a fall that resulted in some orthopedic injuries, and that he was now able to get those referrals - even though he is homeless, he is managing those problems.

So it is really important to recognize that CountyCare is touching real people. Starting with CountyCare was a way to more efficiently achieve the mission of our organization that we have had historically, and to do it in a way that was relevant to realities that were set out by the federal government and the state government ahead of us. Without a strategy to grow and maintain our Medicaid population, this organization would have really, I think, degenerated into irrelevance and into worse fiscal problems than the ones that we have always historically faced in taking care of the uninsured.

**VI. Report from Chief Financial Officer****A. Update on Financial Matters (continued)**

CountyCare is a start-up health plan. The patients that it cares for do not have an accessible claims history; this is so different from an organization taking on, for instance, people with well-described health problems, like the family health plan patients who are the seniors and persons with disabilities, where the State and the federal government have years of claims histories to predict the future utilization. This was terra incognita - these people, by definition, have been historically uninsured. They go to multiple places for their care, and there's no single database that can tell you where and how Ms. Morgan, Mr. Romanowski and Mr. Bochenek used health care over the last ten years. So we had to take a certain amount of unpredictability into this. We knew that this was going to be a large scale, large dollar proposition, but I want you to know and you'll see as we go through this, that the bottom line on the Cook County Health and Hospitals System's finances has been a positive. We have to remember that CountyCare, even though it is a managed care plan, is not independent of the Health System; rather, it is a tool for the Health System to more effectively manage the patients that we've historically taken care of.

Phase One of that health plan was all about enrollment; attracting, taking applications, enrolling and growing the plan, and with a plan like this, if you don't have size, you won't be successful in the long run. We got political support, appropriately, from a lot of partners, including all of those federally-qualified health centers that are in our network now. At the same time that we've been building this business, though, we have maintained our traditional business of being a provider. So this is the managed care plan, and we have continued to be a provider to all the people who need our many doors across the County. Many people think or thought that there was going to be some magic associated with this managed care plan and that it was going to be some kind of a profit center for the Health System. It is very important to recognize that when the ACA was devised and we were given the waiver, it was not meant to underwrite a lot of the other care in the Health System. What it was meant to do was expand Medicaid and pay for the health care costs associated with people who are eligible for Medicaid under the expansion. Not anything more and not anything less than that.

We did know that before Medicaid Managed Care and before CountyCare, this organization historically had been spending \$500-600 million on uncompensated care. This was an opportunity for us to bring in resources that would offset those significant dollars. As you'll see this morning, the initial costs of this program are indeed high, but I want to remind us that people are, in fact, getting care. The reality is, that historically we've been paying for these emergency room visits and unplanned visits for routine things like prescription refills, and in the long run, CountyCare will pay off and will reduce costs related to this. As you'll see, CountyCare brought into the Health System more than \$100 million in payments that this Health System historically would not have seen without it. If we can make Cook County Health and Hospitals System more accessible and more satisfying to the people that we're taking care of under CountyCare, we should see even greater benefit in the years to come. We'll talk about that as part of our strategies going forward to improve the finances of CountyCare.

**VI. Report from Chief Financial Officer****A. Update on Financial Matters (continued)**

We had a meeting this week with Health System leadership, and we shared much of this information and talked with them at a high level on how we need to improve clinical operations and how we need to improve access to care for our patients, particularly in the ambulatory and diagnostic environment, and how, if we didn't do that in a way that was convenient and pleasing as an experience to the patients that we serve, we would lose that business, and that will be a formula for failure of this kind of plan. I think we'll be able to deliver on that. The senior leadership has been tasked with developing and executing a full-scale plan to vastly improve everything from scheduling, creating capacity within our ambulatory system, after-hours call support, and the like. These things will be critically important, and we will report back to the Board on how we're doing on that, overall as it progresses.

I do want to just reiterate, though, one last thing. While the short-term goal of the ACA was to provide immediate coverage to these individuals and others without it, the long-term goal is bending the cost curve - we recognize that and take that very seriously. The vignettes that I shared with you this morning are only a snapshot, but the real story should be thought of in terms of tens of thousands of individuals who today have health care. They've got primary care access, specialty care access, behavioral health and prescription medication access, that they didn't have before. So I'd ask us all to be serious as we look at the finances about this, but to recognize that behind those finances are tens of thousands of individuals who are benefiting from this program. Thank you for the opportunity to set that context .

Following Dr. Shannon's comments, John Cookinham, System Chief Financial Officer, reviewed the information presented in his update on financial matters. The Committee reviewed and discussed the information.

With regard to the information provided on the calculation relating to the repayment of \$33,464,575, Director Hammock asked Mr. Cookinham to confirm that, under the waiver in 2013, the System had to make this repayment, but post-waiver, the System will get 100% and it does not have to repay. Mr. Cookinham responded affirmatively.

Board Chairman Carvalho inquired whether the repayment amount is finalized, or whether the amount is an estimate of the repayment. Mr. Cookinham responded that this amount was the estimate that was included in the audited financial statements; however, it is subject to review once the System files its cost report, which is then reconciled with the State by the end of November. If in fact there are other expenses that have not yet been accounted for, or are learned about after the audit is done, but before the System has to pay that amount back, then the repayment amount could go down.

Board Chairman Carvalho provided a medical analogy to describe the issue. When a person is suffering from a fatal disease, and someone says, "here is a lifesaving cure. There might be some side effects during the treatment, but it will save your life," so the person agrees to the treatment to save their life. The person starts the course of treatment, and after a couple of months into the treatment, the person says they don't like the side effects. That is a foolish way of looking at things.

**VI. Report from Chief Financial Officer****A. Update on Financial Matters (continued)**

Chairman Carvalho stated that, in the past, Medicaid was the primary source of funding, and a fee-for-service intergovernmental transfer (IGT)-funded fee-for-service system was reasonably good for the System. But going forward, the State is saying that 50% of Medicaid in the State is going to be in managed care; the only way that the System is going to get that mathematically is basically to say 100% of Medicaid in the County is going to be managed care. Staying in a fee-for-service with an IGT arrangement was not going to be one of the choices, because that arrangement is going away. So the question was, did the System want to be a plan or did it want to be a provider to other plans? If an entity wants to be a provider to other plans, those plans have to want that entity to be in their plan. That entity has to be low-cost, located where they want the entity to be, providing great customer service, and then maybe they'll let the entity in the plan at whatever rate they negotiate with it. If an entity is a provider, it does not control its own destiny.

Board Chairman Carvalho stated that the System's destiny is not to exist simply to exist. CountyCare was a survival strategy. Historically, maybe people thought that under a different form of governance, the reason the System survived was to provide jobs and contracts. It does not survive for that - it survives because hundreds of thousands of people will continue to be uninsured when the ACA goes into place. There are going to be people who slip between the cracks of the exchange and Medicaid expansion and the like. The System has always historically been there for them and it needs to continue to survive to be there for them. The only survival strategy that this Board saw under the vision that was shared by the former Chief Executive Officer, Dr. Ram Raju, was to survive as a plan, not as a provider to other plans. It was, is, and remains the path to survival to be that safety net for the people who need a safety net, and it involves certain start-up costs, certain bumps along the way that were fully anticipated - exact numbers might not have been anticipated, but it was certainly anticipated that they would be there. So in some respects, there are people who are looking at this and saying that they did not expect this; that is a shortcoming of their imagination, not something gone wrong here. For those who might say to abandon CountyCare, they need to recognize that abandoning CountyCare means no survival path for this System. It can't go back to fee-for-service, and it cannot survive as a provider to other plans. It needs to be the plan to control its own destiny. This repayment was built in from the beginning and was one of the elements of operating under the waiver. Operating under the waiver meant that when January 1<sup>st</sup> came around, the System had tens of thousands of patients already enrolled in the System - it was beneficial to get that head start in enrollment with the waiver, before the January 1, 2014 date.

Director Collens inquired whether this information suggests that CountyCare operated much more efficiently than was predicted, and whether this in fact is a benefit to the taxpayers. Board Chairman Carvalho responded affirmatively. Mr. Scheer requested that Mr. Cookinham provide an idea of what the finances would have looked like had there not been CountyCare for that particular year. Mr. Cookinham responded that, for example, if one looks at the CountyCare pharmacy costs, without CountyCare, the System would have provided some of that expense to people coming to the System, without reimbursement. Another example is the line detailing the cost of CCHHS Services for 2013 - that was \$113 million under CountyCare. A lot of the people who are covered under CountyCare came to the System in the past, and they were a population that was not previously insured; this was a population that received care from the System, but the System did not receive reimbursement for that care. CountyCare provided over \$100 million of reimbursement of expenses that the System potentially would have incurred anyway. Mr. Scheer stated that, if he looked at it both ways, there would be a gain here to the County of maybe \$70-90 million during this particular year; he asked Mr. Cookinham to confirm. Mr. Cookinham concurred, and stated that he believes that it is in excess of \$116 million.

**VI. Report from Chief Financial Officer****A. Update on Financial Matters (continued)**

Director Gugenheim stated that, once an entity starts managing people's care, the expenses in the short run are greater, but in the long run, over the person's lifetime, the expenses are going to become more manageable. Board Chairman Carvalho noted that, from a patient perspective, their chronic diseases are being addressed better, and their health will be improved through care management - all the good things that happen in managed care is something that can be accomplished here.

Dr. Shannon stated that this is a group of individuals that the System is caring for now who for many years have not had insurance. He cautioned that one cannot be too optimistic about how quickly they will acculturate to an insurance state. It will take some time - these are individuals who have never had a primary care physician, they are going to be challenged with health literacy, challenged with and perhaps even suspicion of the systems that they encounter or the support they might get from an individual over the phone. It will take time for them to become accustomed to a state where they have got a support team with them, not just a medical home. I think the experience that has been seen in some of the other states that are ahead of Illinois in Medicaid expansion has been that an overnight reduction in emergency room visits is not experienced, or overnight improvement in people's health status is not achieved; however, those should be expected in the medium distance.

Director Gugenheim, seconded by Director Hammock, moved to receive and file the update on financial matters. THE MOTION CARRIED UNANIMOUSLY.

**B. FY2015 Budget Update (Attachment #6)**

Aaron Galeener, System Director of Budget, reviewed a presentation regarding the FY2015 Budget. The Committee reviewed and discussed the information.

Director Wiese, seconded by Director Gugenheim, moved to receive and file the FY2015 Budget Update. THE MOTION CARRIED UNANIMOUSLY.

**VII. Adjourn**

As the agenda was exhausted, Chairman Butler declared the meeting ADJOURNED.

Respectfully submitted,  
Finance Committee of the  
Board of Directors of the  
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXX

Hon. Jerry Butler, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXX

Deborah Santana, Secretary



Cook County Health and Hospitals System  
Finance Committee Meeting Minutes  
June 20, 2014

ATTACHMENT #1

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

ITEM III.B.

JUNE 20, 2014 FINANCE COMMITTEE MEETING

CONTRACTS AND PROCUREMENT ITEMS

Request #	Vendor	Service or Product	Fiscal impact not to exceed:	Affiliate / System	Begins on Page #
<b>Execute County Managed Care Community Network (MCCN) Contract</b>					
1	Between the Illinois Department of Healthcare and Family Services and the County of Cook through the Cook County Health and Hospitals System	For authorization to execute a County MCCN Contract, to provide managed care services to Medicaid recipients living in Cook County and enrolled in CountyCare		Managed Care	2
<b>Extend and Increase Contracts</b>					
2	Automated Health Systems	Service - third party administrator	\$50,000,000.00	Managed Care	3
3	Catamaran	Service - pharmacy benefit management services	\$10,000,000.00	Managed Care	4
4	Aramark Healthcare	Service - clinical engineering (biomedical) services	\$6,747,793.00	CHSCC, PHCC, ACHN, CCDPH, SHCC, OFHC	5
5	O'Hare Record Retention Services	Service - off-site records storage, destruction, retrieval and moving services	\$286,419.00	SHCC	6
6	NetDimensions	Service - learning management platform	\$118,703.00	System	7
<b>Increase Contract</b>					
7	Owens and Minor	Product - medical and surgical supplies	\$4,500,000.00	System	8
<b>Execute Contracts</b>					
8	Carroll-Kron Consulting, Inc. d/b/a Creative Strategies US	Service - Accu-flo facility software license and support	\$953,700.00	CHSCC	9
9	Aqua Service Company	Service - water purification, maintenance and repair services	\$465,910.00	SHCC	10
10	Proximare Health, Inc.	Product and Service - IRIS Referral System	\$408,668.00	ACHN	11
<b>Accept Grant Renewal</b>					
11	Illinois Department of Public Health	Service - Local Health Protection Services	Grant renewal amount: \$2,061,638.00	CCDPH	12

## BOARD APPROVAL REQUEST

**Date:** June 13, 2014

**To:** Hon. Jerry Butler, Chair, CCHHS Finance Committee  
David Carvalho, Chair, CCHHS Board of Directors  
All Directors and Finance Committee Members

**From:** Steven Glass *SG/480*  
Executive Director of Managed Care

**Subject:** **Presenting Proposed MCCN Contract for Approval - 6/20/14 Finance Committee Meeting**

### Request/Term:

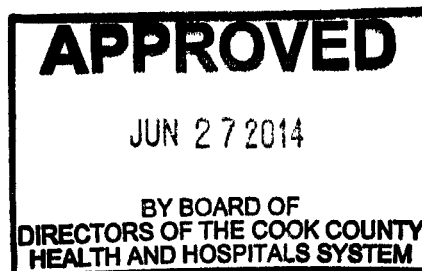
Request for authorization to execute a County Managed Care Community Network (MCCN) contract between the Illinois Department of Healthcare and Family Services (HFS) and the County of Cook through the Cook County Health and Hospitals System (CCHHS).

Contract Period: 07/01/2014 through 06/30/2019

### Contract Description:

In anticipation of the expiration of CCHHS' 1115 Waiver Demonstration Project on June 30, 2014, and pursuant to State law requiring at least 50% of Illinois' Medicaid beneficiaries to be enrolled in care coordination by January 1, 2015, this proposed contract with HFS establishes CountyCare as a County MCCN. The County MCCN will provide managed care services to Medicaid recipients living in Cook County and enrolled in CountyCare. This contract will allow CountyCare to seamlessly continue to provide care for its members under the State's Medicaid managed care authority.

cc: Dr. John Jay Shannon, Interim Chief Executive Officer and Chief of Clinical Operations



Request #

1

# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> <i>SG/GA</i> Steven Glass, Executive Director of Managed Care	
<b>DATE:</b> 06/10/2014		<b>PRODUCT / SERVICE:</b> Service – Third Party Administrator	
<b>TYPE OF REQUEST:</b> Extend and Increase Contract		<b>VENDOR / SUPPLIER:</b> Automated Health System, Pittsburg PA	
<b>ACCOUNT:</b> 896-260	<b>FISCAL IMPACT NOT TO EXCEED:</b> \$50,000,000.00	<b>GRANT AWARD / RENEWAL AMOUNT:</b> N/A	
<b>ORIGINAL CONTRACT PERIOD</b> 12/01/2012 thru 06/30/2014		<b>REVISED CONTRACT PERIOD:</b> 07/01/2014 thru 12/31/2014	<b>CONTRACT NUMBER:</b> H12-25-091
<input checked="" type="checkbox"/> <b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP			
<input type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY:</b>			

### PRIOR CONTRACT HISTORY:

The Cook County Health & Hospitals System (CCHHS) Board approved a contract on 12/14/2012 in the amount of \$7,830,286.00 for the period from 12/01/2012 thru 12/31/2013. Automated Health Systems (AHS) provides administrative and support services as a Third Party Administrator. The services include operation of a call center, contract management, claims review and payment. On 05/31/2013 the CCHHS Board approved a request to amend and increase the contract in the amount of \$18,500,000.00. An increase to the contract was approved by the Board on 11/22/2013 in the amount of \$4,443,144.00. On 12/13/2013 the CCHHS Board approved a request to extend and increase the contract through 06/30/2014 in the amount of \$54,000,000.00 and on 03/28/2014 an increase to the contract was approved in the amount of \$60,000,000.00.

### NEW PROPOSAL JUSTIFICATION:

County Care, as an 1115 waiver demonstration project, ends 6/30/2014. As it transitions to become a County Managed Care Community Network (County MCCN) IlliniCare (Centene) will become the primary Third Party Administrator. This amendment is specifically to allow Automated Health System (AHS) to process and pay incurred but not reported (IBNR) claims and other administrative services to include call center/member services and applications/redetermination. This contract extension will provide additional funding necessary to cover the scope of this work. This will bring the total contract to \$194,773,430.00.

### TERMS OF REQUEST:

This is a request to extend and increase contract number H12-25-091 in an amount not to exceed \$10,000,000.00 for claims payment and \$10,000,000.00 as needed, for administrative services, from 07/01/2014 thru 12/31/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Pending JUN 27 2014

CCHHS CBO: *Anthony Rajkumar*  
Anthony Rajkumar, Chief Business Officer

**APPROVED**  
  
BY BOARD OF  
DIRECTORS OF THE COOK COUNTY  
HEALTH AND HOSPITALS SYSTEM

CCHHS CFO: *John Cookinham*  
John Cookinham, Chief Financial Officer

Request #  
2

CCHHS CEO: *John Jay Shannon*  
John Jay Shannon, M.D., Interim Chief Executive Officer / Chief of Clinical Integration

• Ambulatory & Community Health Network • Cermak Health Services • Department of Public Health •  
• John H. Stroger, Jr. Hospital of Cook County • Oak Forest Health Center • Provident Hospital • Ruth M. Rothstein CORE Center •

We Bring Health CARE to Your Community

Revised 03/01/2011

# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> <i>SG/9/BA</i> Steven Glass, Executive Director of Managed Care	
<b>DATE:</b> 06/10/2014		<b>PRODUCT / SERVICE:</b> Service – Pharmacy Benefit Management Services	
<b>TYPE OF REQUEST:</b> Extend and Increase Contract		<b>VENDOR / SUPPLIER:</b> Catamaran, Lisle IL	
<b>ACCOUNT:</b> 896-260	<b>FISCAL IMPACT NOT TO EXCEED:</b> \$10,000,000.00	<b>GRANT AWARD / RENEWAL AMOUNT:</b> N/A	
<b>ORIGINAL CONTRACT PERIOD</b> 12/01/2012 thru 06/30/2014		<b>REVISED CONTRACT PERIOD:</b> 07/01/2014 thru 9/31/2014	<b>CONTRACT NUMBER:</b> H13-25-017
<input checked="" type="checkbox"/> <b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP			
<input type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> N/A			

### PRIOR CONTRACT HISTORY:

The Cook County Health & Hospitals System (CCHHS) Board approved a contract on 02/01/2013 in the amount of \$58,810,689.50 for the period from 02/01/2013 thru 12/31/2013 to allow Catamaran to provide pharmacy benefit administrator services for County Care, including prior authorization of pharmaceuticals, access to network pharmacies and adjudication and payment of claims. The CCHHS Board on 12/13/2013 approved a request to increase the contract in the amount of \$32,022,735.50 and to extend the contract through 06/30/2014. A subsequent increase to the contract was approved by the CCHHS Board on 03/28/2014 in the amount of \$50,000,000.00.

### NEW PROPOSAL JUSTIFICATION:

County Care, as an 1115 waiver demonstration project, ends 6/30/2014. As of 07/01/2014 County Care will transition to become a County Managed Care Community Network (County MCCN) and IlliniCare will become the primary pharmacy benefit manager. This amendment is specifically to allow Catamaran to process and pay incurred but not reported (IBNR) claims through 09/31/2014. This contract extension will provide the additional funding to cover the scope of work. This will bring the total contract spend to \$150,833,425.00.

### TERMS OF REQUEST:

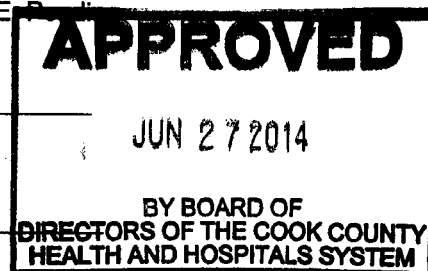
This is a request to extend and increase contract number H13-25-017 in an amount not to exceed \$10,000,000.00, as needed, for a period of three (3) months from 07/01/2014 thru 9/31/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE

CCHHS CBO: *Anthony Rajkumar*  
Anthony Rajkumar, Chief Business Officer

CCHHS CFO: *John Cookinham*  
John Cookinham, Chief Financial Officer

CCHHS CEO: *John Jay Shannon*  
John Jay Shannon, M.D., Interim Chief Executive Officer / Chief of Clinical Integration



**Request #**  
**3**

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> Jim DeLisa, Director of Plant Operations		<b>EXECUTIVE SPONSOR:</b> Anthony Rajkumar, Chief Business Officer	
<b>DATE:</b> 06/06/2014	<b>PRODUCT / SERVICE:</b> Service – Clinical Engineering (Biomedical) Services		
<b>TYPE OF REQUEST:</b> Extend and Increase Contract	<b>VENDOR / SUPPLIER:</b> Aramark Healthcare, Downers Grove, Illinois		
<b>ACCOUNT: FISCAL IMPACT NOT TO EXCEED:</b>		<b>GRANT FUNDED /RENEWAL AMOUNT:</b> N/A	
897-450 Stroger Hospital	\$5,128,322.00		
891-450 Provident Hospital	\$ 669,381.00		
898-450 Oak Forest Health Center	\$ 450,077.00		
893-450 ACHN	\$ 393,396.00		
895-450 Department of Public Health	\$ 57,413.00		
240-450 Cermak Health Services	\$ 49,204.00		
<b>Total Cost:</b>	<b>\$6,747,793.00</b>		
<b>ORIGINAL CONTRACT PERIOD</b> 07/01/2011 thru 06/30/2014	<b>REVISED CONTRACT PERIOD</b> 07/01/2014 through 06/30/2015	<b>CONTRACT NUMBER:</b> H11-72-023	
<b>COMPETITIVE SELECTION METHODOLOGY:</b>			
<input checked="" type="checkbox"/> RFP			
<b>NON-COMPETITIVE SELECTION METHODOLOGY: [SOLE SOURCE]</b>			

### PRIOR CONTRACT HISTORY:

This contract was approved by the Cook County Health and Hospitals System (CCHHS) Board on 05/26/2011 in the amount of \$18,346,554.00 for the period from 07/01/2011 through 06/30/2014 to allow Aramark Healthcare to provide Clinical Engineering (Biomedical) Services system wide. Previous service was supported by multiple suppliers across CCHHS with non-co-terminus contract periods. Each agreement varied in service level delivery.

### NEW PROPOSAL JUSTIFICATION:

As Aramark has been consistently monitored and evaluations have confirmed they are performing to contract specifications, this request is to exercise the option in the current contract to do a one year renewal. The renewal option provision in the contract will allow for continued continuity of service.

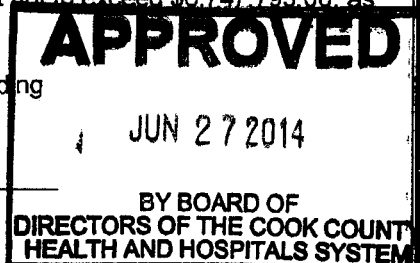
### TERMS OF REQUEST:

This is a request to extend and increase contract number H11-72-023 in an amount not to exceed \$6,747,793.00, as needed, for a period of twelve (12) months from 07/01/2014 through 06/30/2015.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Pending

CCHHS CFO:   
John Cookinham, Chief Financial Officer

CCHHS CEO:   
John Jay Shannon, MD, Interim Chief Executive Officer / Chief of Clinical Integration



**Request #**  
**4**

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> Natasha Lafayette-Jones, System Director Health Information Mgmt.		<b>EXECUTIVE SPONSOR:</b> John Cookinham, Chief Financial Officer 	
<b>DATE:</b> 05/08/2014	<b>PRODUCT / SERVICE:</b> Service – Off-site Records Storage, Destruction, Retrieval and Moving Services		
<b>TYPE OF REQUEST:</b> Extend and Increase Contract	<b>VENDOR / SUPPLIER:</b> O'Hare Record Retention Services, Chicago, IL		
<b>ACCOUNT:</b> 897-246	<b>FISCAL IMPACT NOT TO EXCEED:</b> \$286,419.00	<b>GRANT AWARD RENEWAL AMOUNT:</b> N/A	
<b>ORIGINAL CONTRACT PERIOD</b> 04/01/2011 thru 05/31/2014		<b>REVISED CONTRACT PERIOD</b> 06/01/2014 thru 11/30/2014	<b>CONTRACT NUMBER:</b> H11-72-025
<input checked="" type="checkbox"/>	<b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP		
<input type="checkbox"/>	<b>NON-COMPETITIVE SELECTION METHODOLOGY:</b>		

**PRIOR CONTRACT HISTORY:**

Contract number H11-72-025 was approved by the Cook County Health and Hospitals System (CCHHS) Board on 03/05/2011 in the amount of \$1,198,000.00 for a period of twenty-nine (29) months from 04/01/2011 thru 08/31/2013. The contract was extended by the CCHHS Board on 06/27/2011 in the amount of \$275,000.00 for the period from 09/01/2013 through 05/31/2014.

**CONTRACT EXTENSION JUSTIFICATION:**

Medical records from the following affiliates are stored at O'Hare Record Retention Services: John H. Stroger, Jr. Hospital of Cook County, Oak Forest Health Center, CORE, and the Ambulatory Clinic Health Network. CCHHS has needs for record storage, destruction, and retrieval services extending beyond the current purview of this contractor. We will be going through a competitive procurement process to identify the most qualified vendor that can meet the needs of the Health System. Additional time is required in order to completely assess the needs of CCHHS and to define the scope of work for a comprehensive contract which will address all departments and entities that require these services.

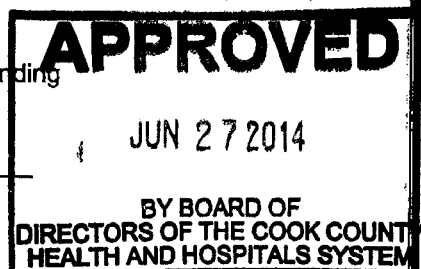
**TERMS OF REQUEST:**

This request is to extend and increase contract number H11-72-025 in an amount not to exceed \$286,419.00, as needed, for a period of five (5) months from 06/01/2014 thru 11/30/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE : Pending

CCHHS CBO:   
Anthony Rajkumar, Chief Business Officer

CCHHS CEO:   
John Jay Shannon M.D., Interim Chief Executive Officer / Chief of Clinical Integration



**Request #**  
**5**

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> Cathy Bodnar, Chief Compliance and Privacy Officer Donna Hart, Interim Chief Information Officer	
<b>DATE:</b> 06/01/2014		<b>PRODUCT / SERVICE:</b> Service - Learning Management Platform	
<b>TYPE OF REQUEST:</b> Extend and Increase Contract		<b>VENDOR / SUPPLIER:</b> NetDimensions, Atlanta GA	
<b>ACCOUNT:</b> 890-601		<b>FISCAL IMPACT NOT TO EXCEED:</b> \$118,703.00	<b>GRANT FUNDED /RENEWAL AMOUNT:</b> N/A
<b>ORIGINAL CONTRACT PERIOD</b> 09/01/2011 through 08/31/2014		<b>REVISED CONTRACT PERIOD</b> 09/01/2014 thru 08/31/2015	<b>CONTRACT NUMBER:</b> H11-25-066
<input checked="" type="checkbox"/>	<b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP		
<input type="checkbox"/>	<b>NON-COMPETITIVE SELECTION METHODOLOGY: [SOLE SOURCE]</b>		

**PRIOR CONTRACT HISTORY:**

A RFP award was approved by the Cook County Health and Hospitals System (CCHHS) on 07/29/2011 in the amount of \$362,040.00 for the period from 09/01/2011 through 08/31/2014 for eHealthcare IT, now NetDimensions to assist with an educational training program. It focused on content and a platform to monitor and track individual, departmental, and organizational completion rates. The platform, also known as an electronic learning management system, has the capability and capacity to contain any and all CCHHS training materials (purchased elsewhere or internally developed). An amendment to increase the contract in the amount of \$35,282.25 was approved by Supply Chain Management (SCM) on 08/22/2013.

**NEW PROPOSAL JUSTIFICATION:**

This request is to extend and increase the contract for one-year for the electronic learning management system only. This extension will allow for a thorough evaluation of current organizational needs and the development of an updated RFP while maintaining our current system-wide annual education schedule.

**TERMS OF REQUEST:**

This is a request to extend and increase contract number H11-25-066 in an amount not to exceed \$118,703.00, as needed, for the period from 09/01/2014 through 08/31/2015.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE:: Pending

CCHHS CBO:   
Anthony Rajkumar, Chief Business Officer

CCHHS CFO:   
John Cookinham, Chief Financial Officer

CCHHS CEO:   
John Jay Shannon, M.D., Interim Chief Executive Officer / Chief of Clinical Integration

**APPROVED**

JUN 27 2014

BY BOARD OF  
DIRECTORS OF THE COOK COUNTY  
HEALTH AND HOSPITALS SYSTEM

**Request #**

**6**

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> Regina M. Besenbaf, System Director, Supply Chain Management		<b>EXECUTIVE SPONSOR:</b> Anthony Rajkumar, Chief Business Officer	
<b>DATE:</b> 06/01/2014		<b>PRODUCT / SERVICE:</b> Product: Medical & Surgical Supplies	
<b>TYPE OF REQUEST:</b> Increase Contract		<b>VENDOR / SUPPLIER:</b> Owens and Minor, Mechanicsville, VA	
<b>ACCOUNT:</b> 890-360		<b>FISCAL IMPACT NOT TO EXCEED:</b> \$4,500,000.00	
<b>GRANT FUNDED /RENEWAL AMOUNT:</b> N/A		<b>ORIGINAL CONTRACT PERIOD:</b> 07/01/2011 thru 08/16/2014	
<b>CONTRACT NUMBER:</b> H11-25-047		<input checked="" type="checkbox"/> <b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP	
<input type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY: [SOLE SOURCE]</b>			

**PRIOR CONTRACT HISTORY:**

The Cook County Health and Hospitals System (CCHHS) Board on 06/24/2011 approved a contract in the amount of \$60,000,000.00 for the period from 07/01/2011 through 08/16/2014 for this vendor to become the primary distributor of the medical/surgical supplies for CCHHS. The selection of Owens & Minor through the RFP process was based on pricing and service level commitment.

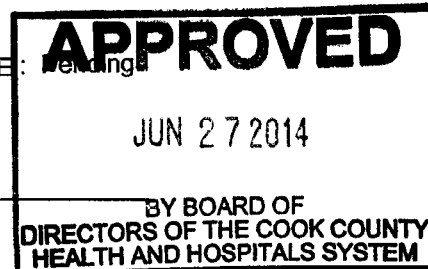
**NEW PROPOSAL JUSTIFICATION:**

This request is to increase the contract with Owens and Minor for the distribution of medical/surgical supplies for CCHHS. The increase is needed due to the cost of specialized surgical supplies purchased during the first 18 months of the contract. The cost of these supplies has been reduced by contracting and purchasing directly from the manufacturers. On an individual contract basis, the cost of these supplies has been reduced through the elimination of the distribution mark-up as well as the manufacturer paying freight costs.

**TERMS OF REQUEST:**

This is a request to increase contract number H11-25-047 in an amount not to exceed \$4,500,000.00, as needed, for the contract period 07/01/2011 thru 08/16/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Pending



CCHHS CFO: John Cookinham  
 John Cookinham, Chief Financial Officer

CCHHS CEO: John Jay Shannon  
 John Jay Shannon, MMD, Interim Chief Executive Officer / Chief of Clinical Integration

**Request #**  
**7**

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> Jesus Estrada, Deputy COO, Cermak Health Services		<b>EXECUTIVE SPONSOR:</b> Peter Daniels, Chief Operating Officer, Hospital Based Services <i>P. Daniels</i>	
<b>DATE:</b> 05/01/2014		<b>PRODUCT / SERVICE:</b> Service – Accu-flo Facility Software License and Support	
<b>TYPE OF REQUEST:</b> Execute Contract		<b>VENDOR / SUPPLIER:</b> Carroll-Kron Consulting, Inc. d/b/a/ Creative Strategies US, Louisville, KY	
<b>ACCOUNT:</b> 240-441		<b>FISCAL IMPACT NOT TO EXCEED</b> \$ 953,700.00	<b>GRANT FUNDED /RENEWAL AMOUNT:</b> N/A
<b>CONTRACT PERIOD:</b> 07/01/2014 thru 06/30/2017		<b>CONTRACT NUMBER:</b> H14-25-026	
<b>COMPETITIVE SELECTION METHODOLOGY:</b> N/A			
<input checked="" type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> Sole Source			

**PRIOR CONTRACT HISTORY:**

The Cook County Health and Hospitals System approved contract number H12-72-009 on 01/27/2012 in the amount of \$585,700.00 for Accu-flo Software Customization, Equipment, and Facility Software License and Support agreement for the period from 02/01/2012 thru 08/31/2013. This contract provided for the initial product customization, implementation, and one year license and support for the Cermak Accu-flo eMAR (electronic medication administration) project. An amendment to extend the contract in time only was approved by Supply Chain Management on 09/13/2013 for the period from 09/01/2013 through 06/30/2014.

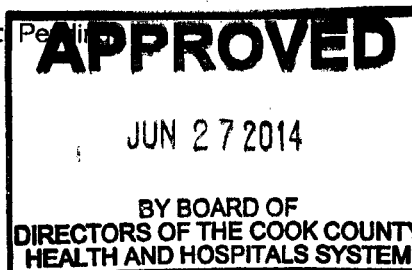
**NEW PROPOSAL JUSTIFICATION:**

Accu-flo is a server-based medication administration system designed for use in correctional facilities. It automates the process of distributing, tracking, and reordering medications in locations where access to medical records are limited and timeliness of medication distribution updates are critical. Similar automation of this process was specifically requested in Section 56 of the Agreed Order with the Department of Justice. This new contract provides for a 3 year renewal of the Accu-flo Facility Software License and Support agreement.

**TERMS OF REQUEST:**

This is a request to execute contract number H14-25-026 in an amount not to exceed \$953,700.00, as needed, for a period of thirty-six (36) months from 07/01/2014 thru 06/30/2017.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE:



CCHHS COO: *Anthony Rajkumar*  
Anthony Rajkumar, Chief Business Officer

CCHHS CFO: *John Cookinham*  
John Cookinham, Chief Financial Officer

CCHHS CEO: *John Jay Shannon*  
John Jay Shannon, MD, Interim Chief Executive Officer / Chief of Clinical Integration

**Request #**  
**8**

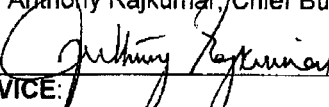
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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> David Lai, AIA, LEED, AP, Director of Stroger Hospital Plant James DeLisa, System Director of Plant Operations		<b>EXECUTIVE SPONSOR:</b> Anthony Rajkumar, Chief Business Officer 	
<b>DATE:</b> 06/06/2014		<b>PRODUCT / SERVICE:</b> Service: Water Purification Maintenance and Repair Services	
<b>TYPE OF REQUEST:</b> Execute Contract		<b>VENDOR / SUPPLIER:</b> Aqua Service Company, Bensenville, IL	
<b>ACCOUNT</b> 897-450	<b>FISCAL IMPACT NOT TO EXCEED</b> \$465,910.00	<b>GRANT FUNDED AMOUNT:</b> None	
<b>CONTRACT PERIOD:</b> 07/01/2014 thru 06/30/2017		<b>CONTRACT NUMBER:</b> H14-72-009	
<input checked="" type="checkbox"/> <b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP			
<input type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY:</b>			

**PRIOR CONTRACT HISTORY:**

The contract was approved by the Cook County Health and Hospitals System (CCHHS) Board of Directors on 08/26/2010 in the amount of \$513,949.00 for a thirty-six (36) month period from 08/27/2010 through 08/26/2013. It was sourced as a competitive bid and awarded to a single provider. The Supply Chain Management Department approved amendments to extend the contract term in time only through 11/30/2013 and again until 02/28/2014.

**NEW PROPOSAL JUSTIFICATION:**

This request will allow the contractor to maintain, repair and replace equipment and ensure that the utilities for the water purification system are fully functional at all times. Contractor will provide maintenance of the Reverse Osmosis Systems, Barnstead Deionization Systems and Water Softener Systems for the John H. Stroger Campus.

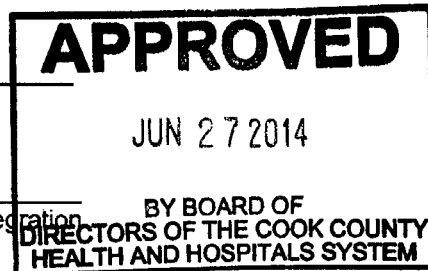
**TERMS OF REQUEST:**

This is a request to execute contract number H14-72-009 in an amount not to exceed \$465,910.00 as needed, for a period of thirty-six (36) months from 07/01/2014 through 06/30/2017

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE : Pending

CCHHS CFO:   
John Cookinham, Chief Financial Officer

CCHHS CEO:   
John Jay Shannon, MD, Interim Chief Executive Officer/ Chief of Clinical Integration



**Request #**  
**9**

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# Cook County Health & Hospitals System

## .BOARD APPROVAL REQUEST

<b>SPONSOR:</b> John Prendergast, Director, IRIS Referral Center		<b>EXECUTIVE SPONSOR:</b> Debra Carey, Chief Operating Officer, ACHN
<b>DATE:</b> 06/02/2014	<b>PRODUCT / SERVICE:</b> Product & Service: IRIS Referral System	
<b>TYPE OF REQUEST:</b> Execute Contract	<b>VENDOR / SUPPLIER:</b> Proximare Health Inc., Savannah GA	
<b>ACCOUNT:</b> 893-260	<b>FISCAL IMPACT NOT TO EXCEED:</b> \$408,668.00	<b>GRANT FUNDED / RENEWAL AMOUNT:</b> N/A
<b>CONTRACT PERIOD:</b> 07/15/2014 thru 07/14/2016		<b>CONTRACT NUMBER:</b> H14-72-042
<b>COMPETITIVE SELECTION METHODOLOGY:</b> N/A		
<input checked="" type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> Sole Source		

**PRIOR CONTRACT HISTORY:**

The contract was approved by the Cook County Health and Hospitals System (CCHHS) Board of Directors on 07/29/2011 for a three (3) year period from 08/01/2011 thru 07/31/2014 in the amount of \$593,000.00. The system supports the receipt of information about patient clinical acuity through a decision support tool as well as facilitating the return of clinical results.

**NEW PROPOSAL HISTORY:**

The IRIS (Internet Referral Information System) provides a vehicle to manage access and measure service demand. It is used by the physicians within CCHHS as well as community based partners to obtain access to CCHHS specialty services. This agreement covers a monthly fee for system maintenance and enhancements as well as an upgrade to the latest IRIS version (6.0).

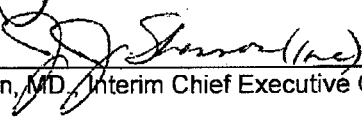
**TERMS OF REQUEST:**

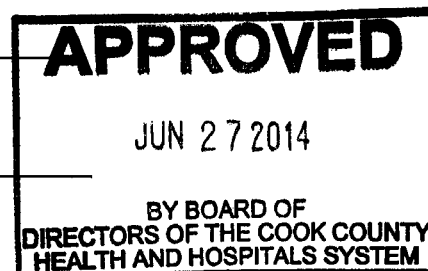
This is a request to execute contract number H14-72-042 in an amount not to exceed \$408,668.00, as needed, for a period of twenty-four (24) months from 07/15/2014 thru 07/14/2016.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE : Pending

CCHHS CBO:   
Anthony Rajkumar, Chief Business Officer

CCHHS CFO:   
John Cookinham, Chief Financial Officer

CCHHS CEO:   
John Jay Shannon, MD, Interim Chief Executive Officer / Chief of Clinical Integration



**Request #**  
**10**

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> Terry Mason, M.D., Chief Operating Officer, Cook County Department of Public Health (CCDPH)	
<b>DATE:</b> 05/06/2014	<b>PRODUCT / SERVICE:</b> Service –Local Health Protection Services		
<b>TYPE OF REQUEST:</b> Grant Contract Renewal	<b>VENDOR / SUPPLIER:</b> Illinois Department of Public Health, Springfield, Illinois		
<b>FISCAL IMPACT / ACCOUNT:</b> *		<b>GRANT FUNDED AMOUNT:</b> \$2,061,638.00	
<b>CONTRACT PERIOD:</b> 07/01/2014 thru 06/30/2015		<b>CONTRACT NUMBER:</b> 55080017C	
<b>COMPETITIVE SELECTION METHODOLOGY:</b> N/A			
<b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> N/A			

**PRIOR CONTRACT HISTORY:**

The previous grant contract with the Illinois Department of Public Health, Office of Health Protection, was for twelve (12) months in the amount of \$2,061,638.00. It was approved by the CCHHS Board on April 26, 2013.

**NEW PROPOSAL JUSTIFICATION:**

As a state certified health department in the State of Illinois, the Cook County Department of Public Health (CCDPH) is mandated to provide health protection services including, but not limited to, programs for infectious diseases, food protection, potable (drinking) water, and sewage disposal in suburban Cook County areas under the jurisdiction of the Cook County Department of Public Health. These programs would have to continue whether or not the Illinois Department of Public Health funded this grant agreement.

\*The deferred liability for this agreement is \$878,108.00.

**TERMS OF REQUEST:**

This is a request to renew Grant Contract Number 55080017C in an amount not to exceed \$2,061,638.00, as needed, from 07/01/2014 thru 06/30/2015.

CCHHS CBO:   
Anthony Rajkumar, Chief Business Officer

CCHHS CFO:   
John Cookinham, Chief Financial Officer

CCHHS CEO:   
John Jay Shannon, MD, Interim Chief Executive Officer/Chief of Clinical Integration

**APPROVED**

JUN 27 2014

BY BOARD OF  
DIRECTORS OF THE COOK COUNTY  
HEALTH AND HOSPITALS SYSTEM

Request #  
11

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Cook County Health and Hospitals System  
Finance Committee Meeting Minutes  
June 20, 2014

ATTACHMENT #2



countycare

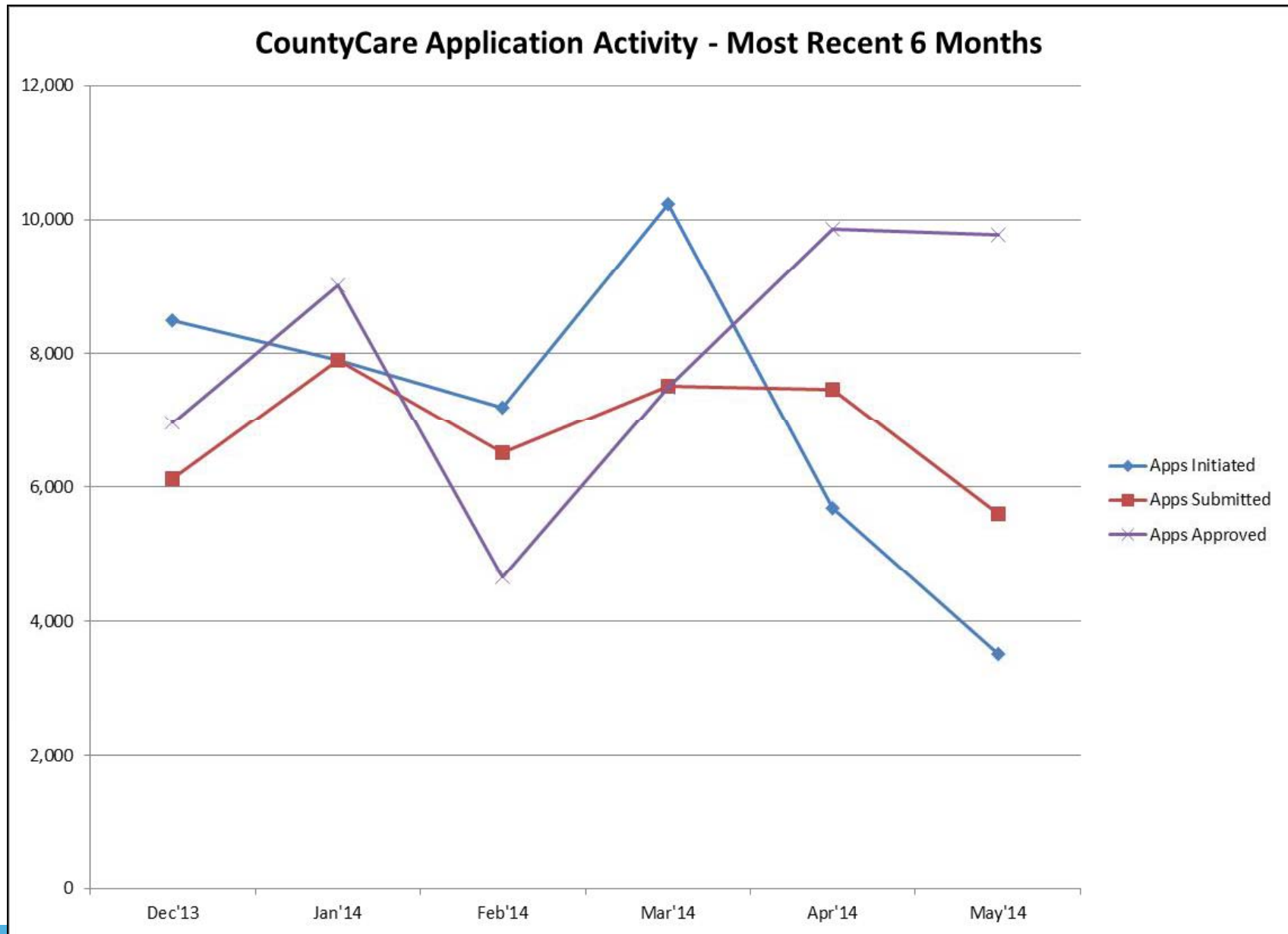
# County MCCN Agreement & Program Update

*Prepared for: CCHHS BOD Finance Committee, 6/20/2014*

Steven Glass, Executive Director of Managed Care  
Cook County Health and Hospitals System

312.864.1147 [sglass@cookcountyhhs.org](mailto:sglass@cookcountyhhs.org)

# Application Activity





# ACA Adults CountyCare & IL

	# of CountyCare enrollees	# of total statewide enrollment	Total ACA adult enrollment in Cook County (as of April 2014)	% of total Cook County ACA enrolled adults in CountyCare	% of total statewide ACA adults in CountyCare
<b>Total Enrollment/Eligible</b>	87,606	278,865	165,451	<b>53%</b>	<b>31%</b>

	% of CountyCare	% of Statewide Total	CountyCare Above/(Below) Statewide
<b>Age</b>			
19-34 years	31.3%	35.9%	-4.6%
35-54 years	40.2%	40.5%	-0.3%
55-64 years	28.5%	23.3%	5.1%
Other/Unknown		0.3%	-0.3%
<b>Gender</b>			
Male	50.9%	52.9%	-2.0%
Female	49.1%	47.1%	2.0%
<b>Ethnicity</b>			
White	12.6%	36.9%	-24.3%
African American	28.4%	31.0%	-2.6%
Latino	0.4%	9.7%	-9.3%
Asian	2.0%	2.2%	-0.2%
Other	n/a	0.9%	0.0%
Not reported/Unknown	56.3%	19.4%	36.9%
AI/AN	0.3%	0.0%	0.3%

- Data as of April 30, 2014
- CountyCare is the only health plan option for ACA-adults.
- A Cook County resident with ACA coverage, not enrolled in CountyCare, receives Medicaid benefits fee-for-service.

# IL & Mandatory Managed Care

- State law requires 50% of Illinois' Medicaid beneficiaries be enrolled in care coordination by January 1, 2015.
- Implementation by HFS requires virtually 100% percent of Medicaid enrollees living in Cook County to select a health plan.
- Five regions across the State moving to mandatory managed care.

# Health Plan Options & Lock-in

*Four types of health plans to implement the legislative mandate.*

Description	# in Cook County
<b><u>Managed Care Community Networks (MCCN)</u></b> Provider-organized entities accepting full risk capitation from HFS.	3 (incl CountyCare)
<b><u>Managed Care Organizations (MCO)</u></b> For-profit or not-for-profit health plans that also accept full risk capitation from HFS.	7
<b><u>Accountable Care Entity (ACE)</u></b> Provider-organized entities on a 3-year path to full-risk capitation through an agreement with HFS.	9
<b><u>Care Coordination Entity (CCE)</u></b> Provider-organized networks delivering care coordination only under a PMPM structure. No capitated risk for health care services.	6 (4 for adults, 2 for children)

- Unique recognition of public-entity health plan
- First HFS contract to address all Medicaid populations – serving as template for future agreements
  - ACA Adults
  - Family Health Plans (FHP)
  - Seniors and Persons with Disabilities (SPD)

# Transition At-A-Glance

	1115 Waiver	County MCCN*
Clinical	One benefits package	Two benefits packages
	Limited quality indicators to track	Extensive Quality Assurance Program
Admin	ACA eligibles	All Medicaid populations
	Minimal reporting requirements	Intense reporting requirements
Financial	Full risk capitation with downside reconciliation	Full risk capitation with no downside reconciliation
	Retrospective PMPM	Prospective PMPM
	Admin "on top of" PMPM	Admin "included in" PMPM
	One rate	Stratified rates

*\* Execution of the deliverables in the County MCCN contract are incorporated in CCHHS' TPA contract approved in April 2014.*

- Service provision as defined by required benefits (two service packages)
- Quality Assurance Plan
  - BOD oversight through QPS Committee
- >140 reportable measures
- 1% withhold for quality on certain indicators
- Quality will be basis for future decisions

- 5-Year Term
- Marketing, outreach and communications rules and regulations
- 49 routine reports

- Obligation to process 90% of claims within 30 days; 99% within 90 days
- Shift from retro- to prospective PMPM
- Stratified rates
- PMPM inclusive of Admin
- As with quality, reporting & oversight by BOD



# Membership Projections

Medicaid Population	Estimated Average Monthly Membership
ACA Adults	80,000-115,000
Family Health Plans (FHP)	50,000-80,000
Seniors and Persons with Disabilities (SPDs)	2,500-5,000
<b>TOTAL</b>	<b>132,500-200,000</b>

Cook County Health and Hospitals System  
Finance Committee Meeting Minutes  
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ATTACHMENT #3

# COOK COUNTY HEALTH & HOSPITALS SYSTEM

**Toni Preckwinkle • President**  
Cook County Board of Commissioners

**John Jay Shannon, MD**  
Interim Chief Executive Officer  
Chief of Clinical Integration  
Cook County Health & Hospitals System



## Health & Hospitals System Board Members

**David Carvalho • Chairman**  
**Jorge Ramirez • Vice Chairman**  
Commissioner Jerry Butler  
Lewis M. Collens  
Ada Mary Gugenheim  
M. Hill Hammock  
Wayne M. Lerner, DPH, FACHE  
Rev. Calvin S. Morris, PhD  
Luis Muñoz, MD, MPH  
Carmen Velasquez  
Dorene P. Wiese, EdD

June 6, 2014

To: **David Carvalho**  
Chairman, Board of Directors  
Cook County Health & Hospitals System

**Commissioner Jerry Butler**  
Chairman, Finance Committee  
Cook County Health & Hospitals System

From: **Regina M. Besenhofer, System Director**  
Supply Chain Management  
Cook County Health and Hospitals System

Re: **Emergency Purchase**

CCHHS has placed an emergency order. This memo serves as notification, as required in Section 2.8 of the CCHHS Procurement Policy adopted by the Board on April 9, 2009.

This purchase was required for the emergency repair of the six inch water main that feeds the Robbins Health Center. The rupture occurred under the sidewalk in the rear of the building.

If you have any questions or concerns, please feel free to contact me at [gbesenhofer@cookcountyhhs.org](mailto:gbesenhofer@cookcountyhhs.org) or 312-864-4798.

Ref	Vendor	Dates of Service	Supply/Service	Amount
1	Diffogio Plumbing	5/23/2014 thru 5/24/2014	Repair of water main break at the Robbins Health Center	\$7,931.00

c: **John Jay Shannon, MD., Interim Chief Executive Officer**  
**Anthony Rajkumar, Chief Business Officer**

Cook County Health and Hospitals System  
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June 20, 2014

ATTACHMENT #4

**Purchased Under the Authority of the Chief Executive Officer**  
**March 2014 - May 2014**

<b>Vendor</b>	<b>Contract Number</b>	<b>Supplies/Service</b>	<b>Purpose</b>	<b>Value</b>	<b>Contract Term</b>
Northwest Pediatric Services	H14-25-0006	Services: Clinical services	Operating Expense	\$38,000.00	12 months
Ingalls Memorial Hospital	H14-25-0012	Services: Breast & cervical cancer detection services	Operating Expense	\$110,000.00	12 months
Hagerty Consulting, Inc.	H14-25-0001	Services: Emergency Preparedness	Operating Expense	\$77,867.36	6 months
Olympus America, Inc.	H13-76-0134	Product: Scopes for anesthesiology	Capital	\$71,309.04	one-time purchase
Lumenis	H13-76-0135	Product: Trio Laser	Capital	\$104,643.00	one-time purchase
Ungaretti & Harris	H14-25-0008	Services: Professional Services	Operating Expense	\$145,000.00	12 months
Favorite Healthcare Staffing, Inc.	H14-25-0013	Services: ICU Nurse Staffing	Operating Expense	\$149,729.00	2 months
Olympus America, Inc.	H14-76-0036	Product: Bronchoscope	Capital	\$45,793.22	one-time purchase
University of Illinois Board of Trustees	H13-25-0005	Services: Physician for Employee Health Services	Operating Expense	\$149,000.00	12 months
Suma P. Pyati	H14-25-0011	Services: Clinical Care/Director	Operating Expense	\$104,000.00	12 months
Gordon N. Stowe & Assoc., Inc.	H14-76-0044	Product: Audiometer equipment	Capital	\$38,295.00	one-time purchase
Cassandra Shipp	H13-25-0095	Services: Medical Staff Coordinator	Operating Expense	\$36,480.00	10 months

Cook County Health and Hospitals System  
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ATTACHMENT #5

**2013 CountyCare**

<b>County Care Capitation Revenue - Total Gross Revenue</b>	\$	276,535,447	\$	<b>629.00</b>
<b>Clinical Expenses</b>				
Transplant -stop loss insurance	\$	700,000	\$	1.59
TPA claims payment - Foreign claims	\$	46,166,511	\$	105.01
TPA claims IBNR estimated - accrual	\$	13,024,762	\$	29.63
TPA Behavioral Health - claims	\$	4,732,967	\$	10.77
TPA Behaviorial Care Coordination	\$	1,058,896	\$	2.41
Pharmacy provided at PBA's estimated rate	\$	27,710,679	\$	63.03
Cost of CCHHS Services 2013 - estimated	\$	116,179,980	\$	264.26
Transportation - transit passes	\$	32,500	\$	0.07
Total Expenses	\$	<b>209,606,296</b>		
Total 2013 Cost PMPM			\$	<b>476.76</b>
Gross PMPM payment			\$	<b>629.00</b>
Gross PMPM Re-Payment			\$	<b>152.24</b>
Net Payback at 50%			\$	<b>33,464,575</b>

## CountyCare Financial Results for the first 6 months of 2014

	Operations	Applications	Total
<b><u>Revenue</u></b>			
PMPM Revenue	\$291,165,493		\$291,165,493
Administrative Revenue estimated	\$18,860,857	\$6,260,279	\$25,121,136
Reduction of Revenue for State Workers	\$0	-\$2,731,525	-\$2,731,525
<b>Total Revenue</b>	<b>\$310,026,350</b>	<b>\$3,528,754</b>	<b>\$313,555,104</b>
<b><u>Administrative Expenses</u></b>			
Salaries and Benefits - CCHHS Staff	\$510,711		\$510,711
Stop-loss insurance	\$2,529,190		\$2,529,190
Pharmacy Benefits Manager Fees	\$2,536,129		\$2,536,129
Psych Health Administrative Fees	\$4,214,739		\$4,214,739
MHN Administrative Fees	\$2,427,086		\$2,427,086
Consulting	\$397,437		\$397,437
AHS Third Party Administrative Fees	\$7,779,855		\$7,779,855
AHS Application Assistance Fees		\$11,416,545	\$11,416,545
CEA Application Assistance Fees		\$960,782	
Hoyne Facility Expenses		\$143,231	\$143,231
<b>Total Administrative Expense</b>	<b>\$20,395,147</b>	<b>\$12,520,558</b>	<b>\$32,915,705</b>
Domestic Claims Expense at CCHHS Facilities	\$126,528,956		\$126,528,956
Foreign Claims Expense	\$100,373,337		\$100,373,337
Pharmacy Claims Expense	\$69,089,261		\$69,089,261
Psych and Substance Abuse Services	\$6,578,584		\$6,578,584
<b>Total Claims Expense</b>	<b>\$302,570,138</b>		<b>\$302,570,138</b>
<b><u>Total CountyCare Expenses</u></b>	<b>\$322,965,285</b>	<b>\$12,520,558</b>	<b>\$335,485,843</b>
<b>Contribution Margin on CountyCare for first 6 months</b>	<b>-\$12,938,936</b>	<b>-\$8,991,804</b>	<b>-\$21,930,740</b>
<b>Contribution to System Costs</b>	<b>\$137,159,057</b>		<b>\$137,159,057</b>



Cook County Health and Hospitals System  
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ATTACHMENT #6



# **FY 2015 Budget Assumptions**

**CCHHS Finance Committee  
June 20, 2014**

**CCHHS**

# **Budget Timeline**

**May – June** – CCHHS departments develop initial budget requests

**June** – CCHHS budget meetings with departments

**End of June** – County issues FY 2015 Preliminary Budget

**June – July** – Budget prioritization and discussions with County

**Early August** – Finalization of CCHHS proposed budget

**August 15** – CCHHS Budget Introduced to CCHHS Finance Committee

**August 29** - CCHHS Budget Submitted to CCHHS Board for approval

**September** – CCHHS Budget Introduced to Cook County Finance Committee

**October** - President's Executive Budget to the Board of Commissioners

**November** - Final vote/amendments to President's Executive Budget



# Budget Process Overview

## CCHHS Budget Process

- CCHHS departments have submitted initial budget requests
- CCHHS internal review meetings during June - July
- Discussions with County Budget Office expected during June – July
- Proposed budget developed by beginning of August
- Expected introduction at the CCHHS August Finance Committee



# Budget Process Overview

## Cook County Preliminary Budget

- Expected to be issued at the end of June
- Serves as a baseline forecasts using current trends
- Establishes scope of County's financial outlook for next Fiscal Year



# **Changing Medicaid Environment**

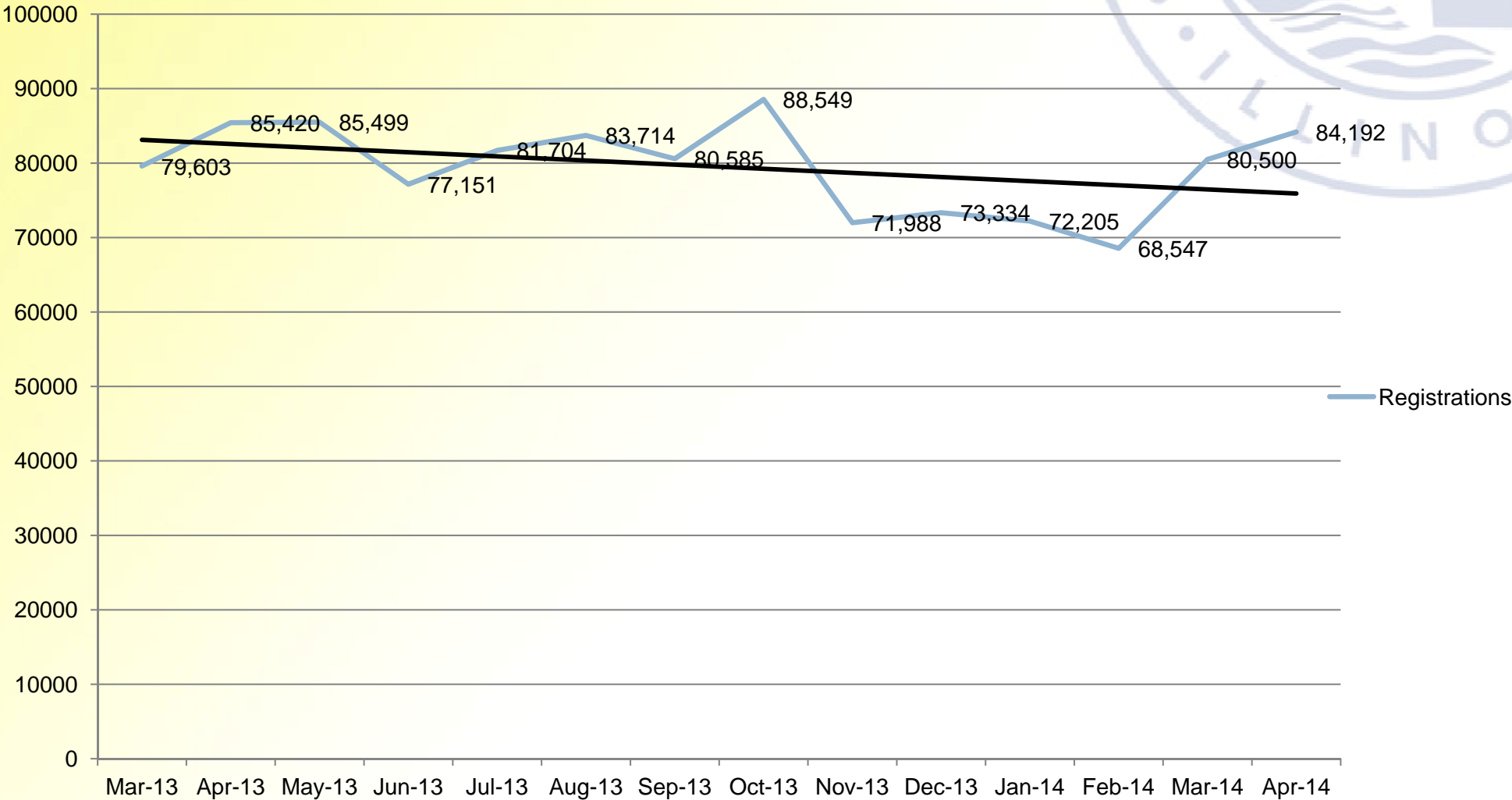
- Illinois law requires 100% of Medicaid populations in Cook County to be enrolled in Medicaid managed care by January 1, 2015
- Impacts historical CCHHS Fee For Service population by moving them into managed care
- CountyCare transition to MCCN will allow us to have membership across all Medicaid populations
- State is expected to begin transitioning Medicaid populations to managed care during 2014

# CountyCare

## Membership Assumptions

- ACA adult membership expected between 80,000 to 115,000
- Family Health Plan (FHP) membership expected between 50,000 to 80,000 phased during FY 15
- Seniors and Persons with Disabilities (SPD) membership expected between 2,500 to 5,000 phased during FY 15

# Domestic CCHHS Utilization Trends: Outpatient Clinic Registrations Trailing 14 Months



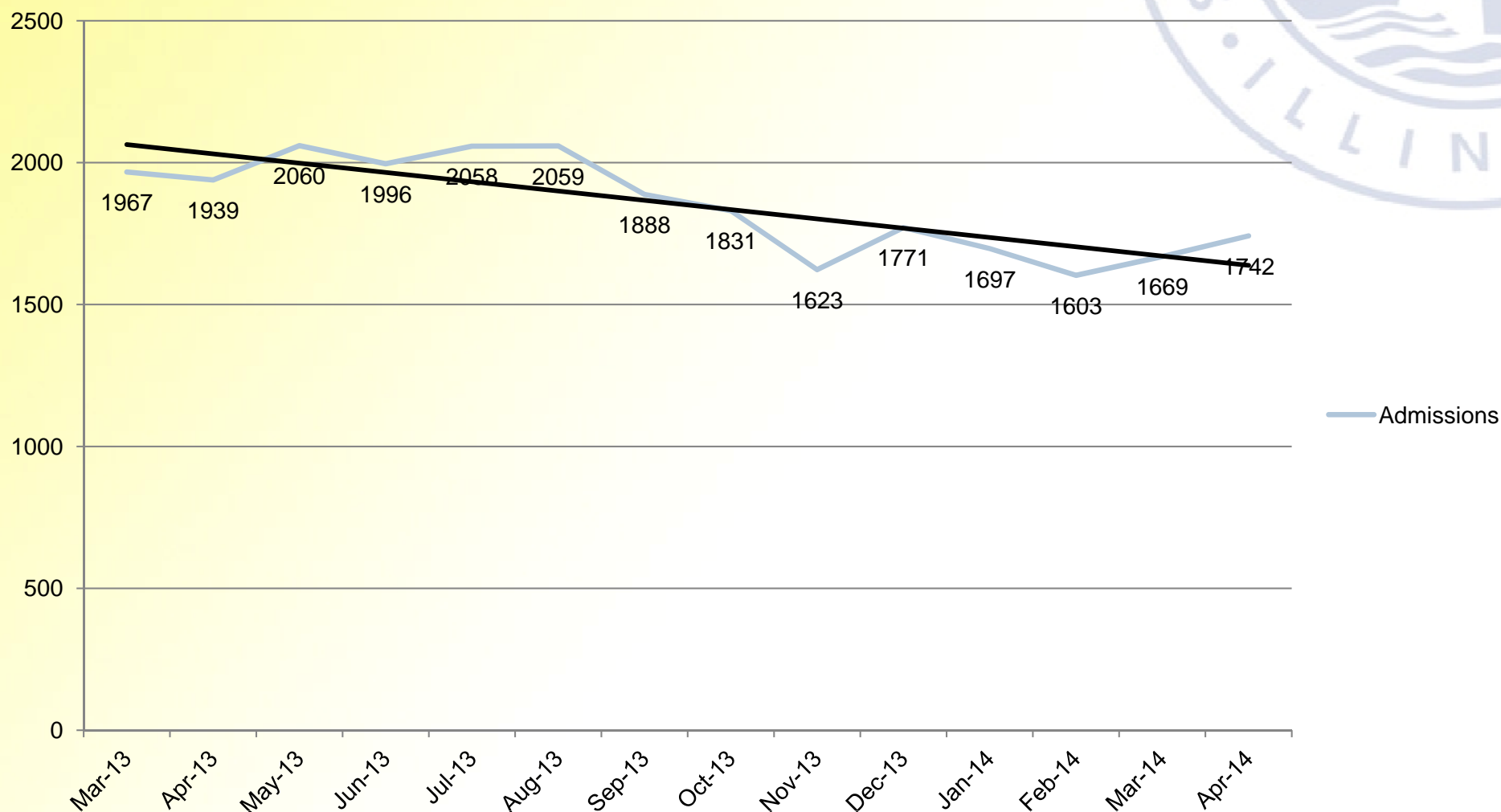
Source: Cerner





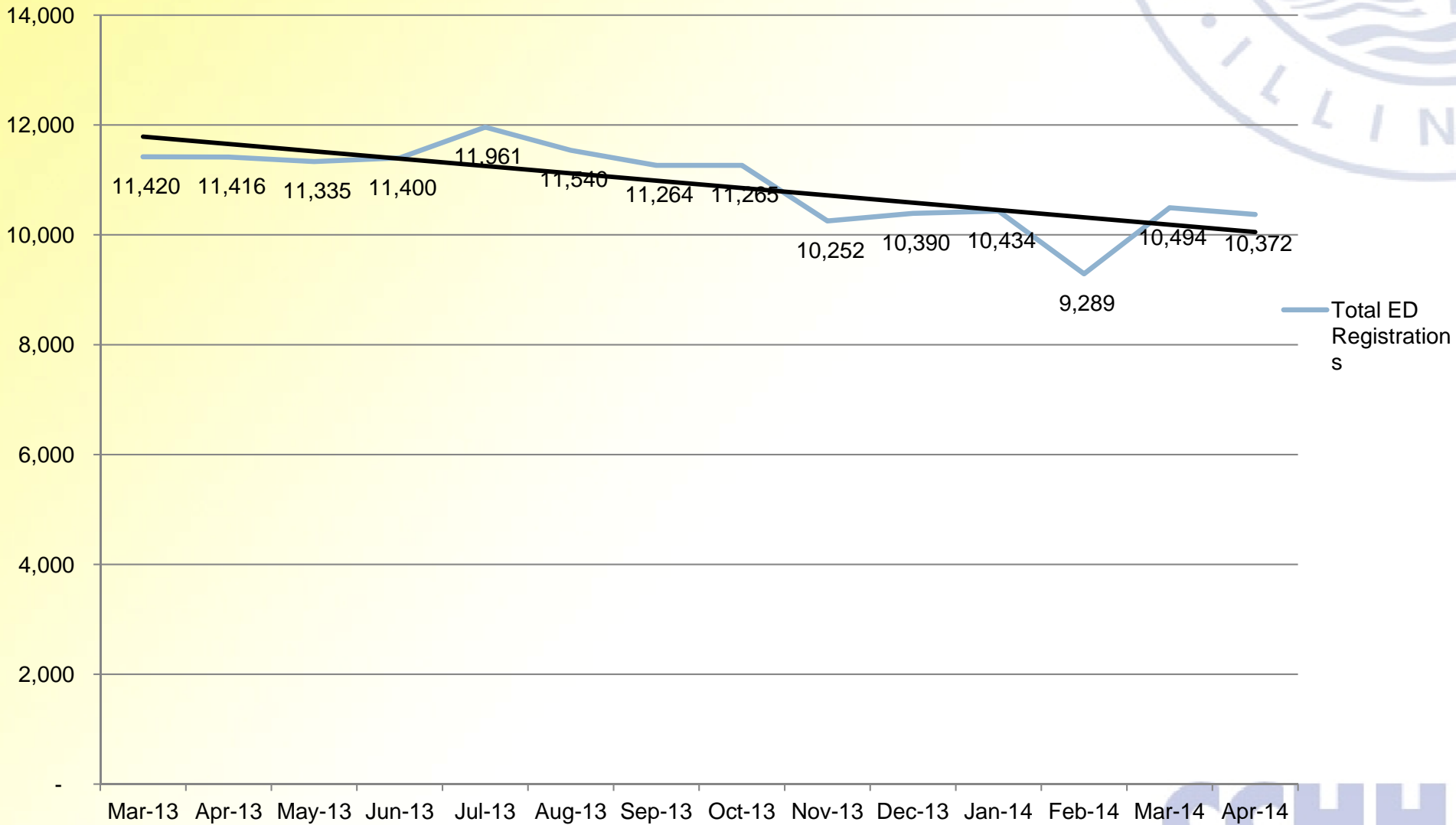
# Utilization Trends:

## Stroger Inpatient Admissions Trailing 14 Months



Source: Cerner

# Utilization Trends: Total ED Registrations Trailing 14 Months



# **CCHHS Priorities**

- Development of data and analytical capabilities to support CCHHS operations and CountyCare operations
- Integration of CCHHS and CountyCare to increase proportion of member care being provided at CCHHS
- Improvement in access, productivity, and throughput to improve capacity within existing CCHHS cost structure